

No. 8915

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
PERU**

**Exchange of notes (with annexes) constituting an agreement concerning a loan by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of Peru (United Kingdom/Peru Loan, 1966).
Lima, 3 December 1966**

Official texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
10 January 1968.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
PÉROU**

**Échange de notes (avec annexes) constituant un accord relatif à l'octroi d'un prêt par le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord au Gouvernement du Pérou (Prêt Royaume-Uni/Pérou de 1966).
Lima, 3 décembre 1966**

Textes officiels anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
10 janvier 1968.*

No. 8915. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF PERU CONCERNING A LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND TO THE GOVERNMENT OF PERU. LIMA, 3 DECEMBER 1966

I

Her Majesty's Ambassador at Lima to the Peruvian Minister for Foreign Affairs

BRITISH EMBASSY

Lima, 3rd December, 1966

Note No. 111

Your Excellency,

I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Peru and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Peru on this question. The position of the Government of the United Kingdom with regard to the provision of finance and the commitments of that Government and of the Government of Peru as regards associated matters shall be as respectively set out in part A and part B below :

A. The Government of the United Kingdom declare that it is their intention to provide, acting by the Ministry of Overseas Development (hereinafter referred to as " the Ministry "), finance to the Government of Peru by way of a loan to an amount not exceeding \$500,000 (five hundred thousand pounds) sterling towards the cost of Bailey Bridges for the furtherance of the general road programme in Peru.

B. (1) The Government of the United Kingdom shall adopt the procedure described in the following paragraphs of this Note in so far as it relates to things to be done by or on behalf of that Government. The Government of Peru shall adopt the procedure so described in so far as it relates to things to be done by or on behalf of that Government.

¹ Came into force on 3 December 1966 by the exchange of the said notes.

(2) The Government of Peru shall, by a request in the form set out in Annex A to this Note, open a special account (hereinafter referred to as "the Account") with a bank in London (hereinafter referred to as "the Bank"). The Account shall be operated in accordance with the instructions contained in the said request.

(3) Unless and to the extent only that the Ministry otherwise agree in writing, the Account will be used only for payments to a contractor due under a contract which :

- (a) provides for payment in sterling to persons carrying on business in the United Kingdom, the Channel Islands or the Isle of Man;
- (b) is a contract entered into after the date of this Note and before the 23rd of December, 1966; and
- (c) is such a contract for the purchase of goods wholly produced or manufactured in the United Kingdom, the Channel Islands or the Isle of Man, or for work to be done or services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, as the Government of Peru and the Ministry may from time to time approve.

(4) The Government of Peru shall as soon as possible forward or ensure that there is forwarded to the Ministry in the case of each contract in respect of which it wishes payments to be made from the Account :

- (a) a copy of the contract, or of a notification in the form set out in Annex B to this Note; and
- (b) two copies of a certificate from the contractor concerned in the form set out in Annex C to this Note.

The Government of Peru shall inform the Ministry if at any time a contract (being a contract in respect of which such documents have been forwarded and in respect of which approval has been given or is pending) is amended or if liability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the contract certificate and in either of these cases the Government of Peru shall as soon as possible forward to the Ministry the relevant supplementary or revised documents.

(5) After the Ministry has considered the documents forwarded, in respect of any contract, by the Government of Peru in pursuance of the procedure described in the foregoing provisions of this Note and any additional information which it may request from that Government for this purpose (and which that Government will then supply), the Ministry shall notify that Government in the form set out in Annex C (i) to this Note whether and to what extent it approves the contract for the purposes of the loan and agrees that payments may be made from the Account. To the extent that the Ministry so approves and agrees it shall, on receipt of a request from the Government of Peru, in the form set out in Annex C (ii) to this Note, giving details of contractual payments due and about to be made, make payments in sterling into the Account and each such payment shall constitute a drawing on the loan. The Ministry shall not make payments into the Account after the 31st of March, 1967.

(6) Withdrawals from the Account shall be made only in respect of the payments referred to in paragraph (3) above and in the manner and subject to the conditions hereafter set out in the present paragraph :

- (a) withdrawals shall be made in accordance with Payment Authorities in the form shown in Annex D hereto duly signed on behalf of the Government of Peru and forwarded to the Ministry for countersignature and accompanied by a Payment Certificate from the Contractor in the form shown in Annex E hereto and the invoices (or photocopies or duplicates of such invoices) referred to therein. If the Ministry is satisfied on perusal of the invoices and Certificates that the payments listed on the Payment Authority are chargeable to the Account, the Ministry shall countersign the Payment Authority and forward it to the Bank,
- (b) the amount of payment in respect of any one contract shall not exceed the amount specified in relation to that contract in the notification in the form set out in Annex C (i).

(7) Before the first document is forwarded to the Ministry in accordance with paragraph (4) above the Government of Peru shall furnish the Ministry with a copy of the Government's instructions to the Bank given in accordance with paragraph (2) above to open and operate the Account; and also notify the Ministry of the names of the officers who are duly authorised to sign the Payment Authorities on its behalf and furnish a specimen signature in duplicate of each such officer.

(8) If any monies that have been paid out of the Account are subsequently refunded either by the Contractor or by a guarantor the Government of Peru shall pay into the Account a sum equal to the monies so refunded.

(9) The Bank shall forward monthly to the Ministry a statement of receipts to and payments from the Account.

(10) The Government of Peru shall repay to the Ministry in pounds sterling in London the total sum which may have been drawn on the loan as envisaged by this Note, such repayment to be made by instalments paid on the dates specified below and amounting to the sums respectively specified in relation to those dates, so, however, that if, on the date when such instalment is due to be paid, there is then outstanding less than the amount specified in relation to that date only the amount then outstanding will be paid.

INSTALMENTS

<i>Date due</i>	<i>Amount</i> £
30th April 1971 and on the 30th April in each of the succeeding thirteen years.	17,900
31st October 1971 and on the 31st October in each of the succeeding twelve years	17,900
31st October 1984	16,700

(11) The Government of Peru shall pay to the Ministry in pounds sterling in London interest on drawings from the loan in accordance with this paragraph :

- (a) the rate of interest in respect of each drawing will be determined by the Ministry and in determining the rate the Ministry shall have regard to the cost of borrowing by the Government of the United Kingdom at the date on which the drawing is made;
- (b) interest shall be calculated on a day to day basis on the balance of the loan for the time being outstanding;
- (c) the first payment of accrued interest shall be made on 30th April, 1967, and subsequent payments shall be made on 31st October and 30th April in each year.

(12) Notwithstanding the provisions of paragraph (10) above, the Government of Peru shall be free at any time to repay to the Ministry in pounds sterling the whole or any part of the loan that is still outstanding, together with the accrued interest thereon calculated as in paragraph (11) above.

2. If the foregoing is acceptable to the Government of the Republic of Peru, I have the honour to suggest that the present Note together with Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date of your reply and shall be known as the United Kingdom/Peru Loan, 1966.

3. I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

R. H. K. MARETT

ANNEX A

GOVERNMENT OF THE REPUBLIC OF PERU

To : The Manager
..... Bank Ltd.
London

Dear Sir,

United Kingdom/Peru Loan, 1966

1. I have to request you on behalf of the Government of the Republic of Peru (hereinafter called "the Government") to open an account in the name of the Government to be styled the United Kingdom/Peru Loan, 1966 Account (hereinafter called "the Account").

2. Payments into the Account may be made from time to time by the Ministry of Overseas Development of Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland (hereinafter called "the Ministry"). It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

3. Payments from the Account are to be made only against Payment Authorities in the form marked "D" attached hereto duly signed on behalf of the Government and countersigned on behalf of the Ministry.